

## "Schedule A"

## The All Company

Salaries	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>
Chief Executive Officer	\$ 150,000	\$ 150,000	\$ 200,000	\$ 200,000	\$ 250,000
Chief Technical Officer	\$ 80,000	\$ 100,000	\$ 120,000	\$ 140,000	\$ 160,000
Chief Operating Officer	\$ 100,000	\$ 110,000	\$ 125,000	\$ 150,000	\$ 150,000
V.P. of TV Production	\$ 100,000	\$ 110,000	\$ 125,000	\$ 125,000	\$ 125,000
V.P. of Publications	\$ 100,000	\$ 110,000	\$ 125,000	\$ 125,000	\$ 125,000
Chief Editorial Editor	\$ 80,000	\$ 90,000	\$ 100,000	\$ 100,000	\$ 100,000
Programmers	\$ 200,000	\$ 280,000	\$ 500,000	\$ 800,000	\$ 1,200,000
VP of Marketing & Bus. Dev't	\$ 80,000	\$ 100,000	\$ 120,000	\$ 140,000	\$ 160,000
Account Executives	\$ 80,000	\$ 100,000	\$ 200,000	\$ 350,000	\$ 500,000
Controller	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000
Accounting (A/P, Fin'l, Staff)	\$ 60,000	\$ 60,000	\$ 120,000	\$ 200,000	\$ 300,000
Content Writers	\$ 200,000	\$ 240,000	\$ 500,000	\$ 800,000	\$ 1,200,000
Miscellaneous (H/R, Rec.,etc)	\$ 100,000	\$ 150,000	\$ 250,000	\$ 350,000	\$ 400,000
<b>Total</b>	<b>\$ 1,390,000</b>	<b>\$ 1,660,000</b>	<b>\$ 2,545,000</b>	<b>\$ 3,540,000</b>	<b>\$ 4,730,000</b>

## Budget

1-Jan-06

Year 1 by Month

## The All Company

	Jan-06	Feb-06	Mar-06	Apr-06	May-06	Jun-06	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06	Year 1	% of Total Sales
<b>Sales</b>														
E-commerce Revenues	\$6,150	\$12,300	\$18,450	\$30,750	\$49,200	\$73,800	\$98,400	\$123,000	\$159,900	\$190,650	\$221,400	\$246,000	\$1,230,000	28.4%
Advertising Sales Revenues	\$360	\$720	\$1,080	\$1,800	\$2,880	\$4,320	\$5,760	\$7,200	\$9,360	\$11,160	\$12,960	\$14,400	\$72,000	1.7%
Membership List Sales Revenues	\$70	\$140	\$210	\$350	\$560	\$840	\$1,120	\$1,400	\$1,820	\$2,170	\$2,520	\$2,800	\$14,000	0.3%
Publication Revenues							\$75,600	\$120,960	\$196,560	\$272,160	\$378,000	\$468,720	\$1,512,000	34.9%
TV Program Production Revenues	\$7,500	\$15,000	\$22,500	\$37,500	\$60,000	\$90,000	\$120,000	\$150,000	\$195,000	\$232,500	\$270,000	\$300,000	\$1,500,000	34.7%
Network Marketing Revenues													\$0	0.0%
<b>Total Sales</b>	<b>\$14,080</b>	<b>\$28,160</b>	<b>\$42,240</b>	<b>\$70,400</b>	<b>\$112,640</b>	<b>\$168,960</b>	<b>\$300,880</b>	<b>\$402,560</b>	<b>\$562,640</b>	<b>\$708,640</b>	<b>\$884,880</b>	<b>\$1,031,920</b>	<b>\$4,328,000</b>	<b>100.0%</b>

### Cost of Goods Sold

e-Commerce Cost of Sales	\$1,680	\$3,360	\$5,040	\$8,400	\$13,440	\$20,160	\$26,880	\$33,600	\$43,680	\$52,080	\$60,480	\$67,200	\$336,000	0.0%
Production Cost of Sales	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$150,000	
Publication Cost of Sales							\$175,973	\$181,157	\$189,797	\$198,437	\$210,533	\$220,901	\$1,176,798	

**Total Sales**      \$ 14,180   \$ 15,860   \$ 17,540   \$ 20,900   \$ 25,940   \$ 32,660   \$ 215,353   \$ 227,257   \$ 245,977   \$ 263,017   \$ 283,513   \$ 300,601   \$ 1,662,798.00

### Sales & Marketing Costs

Internet Advertising	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$3,000,000	69.3%
<b>Total Sales &amp; Marketing Costs</b>	<b>\$250,000</b>	<b>\$250,000</b>	<b>\$250,000</b>	<b>\$250,000</b>	<b>\$250,000</b>	<b>\$250,000</b>	<b>\$250,000</b>	<b>\$250,000</b>	<b>\$250,000</b>	<b>\$250,000</b>	<b>\$250,000</b>	<b>\$250,000</b>	<b>\$3,000,000</b>	<b>69.3%</b>
<i>% of Total Sales</i>	<i>1775.6%</i>	<i>887.8%</i>	<i>591.9%</i>	<i>355.1%</i>	<i>221.9%</i>	<i>148.0%</i>	<i>83.1%</i>	<i>62.1%</i>	<i>44.4%</i>	<i>35.3%</i>	<i>28.3%</i>	<i>24.2%</i>	<i>69.3%</i>	

### Operating Expenses

#### General & Administrative

Start-up Costs	\$ 900,000														
Salary Payroll	\$ 115,833	\$ 115,833	\$ 115,833	\$ 115,833	\$ 115,833	\$ 115,833	\$ 115,833	\$ 115,833	\$ 115,833	\$ 115,833	\$ 115,833	\$ 115,833	\$ 1,390,000	32.1%	
Fringe Benefits (20% of Salaries)	\$ 23,167	\$ 23,167	\$ 23,167	\$ 23,167	\$ 23,167	\$ 23,167	\$ 23,167	\$ 23,167	\$ 23,167	\$ 23,167	\$ 23,167	\$ 23,167	\$278,000	6.4%	
Bonuses (20% of salaries)	\$ 23,167	\$ 23,167	\$ 23,167	\$ 23,167	\$ 23,167	\$ 23,167	\$ 23,167	\$ 23,167	\$ 23,167	\$ 23,167	\$ 23,167	\$ 23,167	\$278,000	6.4%	
Travel & Entertainment	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$84,000		
Co-Location Network Costs	\$ 8,333	\$ 8,333	\$ 8,333	\$ 8,333	\$ 8,333	\$ 8,333	\$ 8,333	\$ 8,333	\$ 8,333	\$ 8,333	\$ 8,333	\$ 8,333	\$100,000	2.3%	
Legal & Consulting Fees	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$120,000	2.8%	
Leases - Copier	\$ 333	\$ 333	\$ 333	\$ 333	\$ 333	\$ 333	\$ 333	\$ 333	\$ 333	\$ 333	\$ 333	\$ 333	\$3,990	0.1%	
Lease - Telephone	\$ 1,627	\$ 1,627	\$ 1,627	\$ 1,627	\$ 1,627	\$ 1,627	\$ 1,627	\$ 1,627	\$ 1,627	\$ 1,627	\$ 1,627	\$ 1,627	\$19,529	0.5%	
Office Internet access	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$9,000	0.2%	
Postage & Delivery	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$24,000		
Rent Expense	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000	\$72,000		
Utilities	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$12,000		
Miscellaneous	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$120,000		
Web Maintenance & Development	\$ 8,333	\$ 8,333	\$ 8,333	\$ 8,333	\$ 8,333	\$ 8,333	\$ 8,333	\$ 8,333	\$ 8,333	\$ 8,333	\$ 8,333	\$ 8,333	\$100,000		
<b>Total G &amp; A Costs</b>	<b>\$ 1,117,543</b>	<b>\$217,543</b>	<b>\$217,543</b>	<b>\$217,543</b>	<b>\$217,543</b>	<b>\$217,543</b>	<b>\$217,543</b>	<b>\$217,543</b>	<b>\$217,543</b>	<b>\$217,543</b>	<b>\$217,543</b>	<b>\$217,543</b>	<b>\$3,510,519</b>	<b>81.1%</b>	
<i>% of Total Sales</i>	<i>7937.1%</i>	<i>772.5%</i>	<i>515.0%</i>	<i>309.0%</i>	<i>193.1%</i>	<i>128.8%</i>	<i>72.3%</i>	<i>54.0%</i>	<i>38.7%</i>	<i>30.7%</i>	<i>24.6%</i>	<i>21.1%</i>	<i>81.1%</i>		

**Income before Taxes**      (\$1,367,643)   (\$455,243)   (\$442,843)   (\$418,043)   (\$380,843)   (\$331,243)   (\$382,016)   (\$292,240)   (\$150,880)   (\$21,920)   \$133,824   \$263,776   (\$3,845,317)   -88.8%

Taxes on Income      0.0%

**Net Income After Taxes**      (\$1,367,643)   (\$455,243)   (\$442,843)   (\$418,043)   (\$380,843)   (\$331,243)   (\$382,016)   (\$292,240)   (\$150,880)   (\$21,920)   \$133,824   \$263,776   (\$3,845,317)   -88.8%

*% of Total Sales*      -9713.38%   -1616.63%   -1048.40%   -593.81%   -338.11%   -196.05%   -126.97%   -72.60%   -26.82%   -3.09%   15.12%   25.56%   -88.85%

# Budget

1-Jan-06

Years 2-3 by Quarter

# The All Company

Sales	Q1-Yr2	Q2-Yr2	Q3-Yr2	Q4-Yr2	Year 2	% of Total Sales	Q1-Yr3	Q2-Yr3	Q3-Yr3	Q4-Yr3	Year 3	% of Total Sales
E-commerce Revenues	\$847,500	\$847,500	\$847,500	\$847,500	\$3,390,000	27.0%	\$1,942,500	\$1,942,500	\$1,942,500	\$1,942,500	\$7,770,000	29.4%
Advertising Sales Revenues	\$54,000	\$54,000	\$54,000	\$54,000	\$216,000	1.7%	\$180,000	\$180,000	\$180,000	\$180,000	\$720,000	2.7%
Membership List Sales Revenues	\$12,250	\$12,250	\$12,250	\$12,250	\$49,000	0.4%	\$31,500	\$31,500	\$31,500	\$31,500	\$126,000	0.5%
Publication Revenues	\$1,344,000	\$1,344,000	\$1,344,000	\$1,344,000	\$5,376,000	42.9%	\$2,688,000	\$2,688,000	\$2,688,000	\$2,688,000	\$10,752,000	40.7%
TV Program Production Revenues	\$750,000	\$750,000	\$750,000	\$750,000	\$3,000,000	23.9%	\$1,125,000	\$1,125,000	\$1,125,000	\$1,125,000	\$4,500,000	17.0%
Network marketing Revenues	\$127,500	\$127,500	\$127,500	\$127,500	\$510,000	4.1%	\$637,500	\$637,500	\$637,500	\$637,500	\$2,550,000	9.7%
<b>Total Sales</b>	<b>\$3,135,250</b>	<b>\$3,135,250</b>	<b>\$3,135,250</b>	<b>\$3,135,250</b>	<b>\$12,541,000</b>	<b>100.0%</b>	<b>\$6,604,500</b>	<b>\$6,604,500</b>	<b>\$6,604,500</b>	<b>\$6,604,500</b>	<b>\$26,418,000</b>	<b>100.0%</b>
<b>Cost of Sales</b>												
e-Commerce Cost of Sales	\$252,000	\$252,000	\$252,000	\$252,000	\$1,008,000	8.0%	\$ 427,000	\$ 427,000	\$ 427,000	\$ 427,000	\$ 1,708,000	17.1%
Production Cost of Sales	\$37,500	\$37,500	\$37,500	\$37,500	\$150,000	1.2%	\$ 37,500	\$ 37,500	\$ 37,500	\$ 37,500	\$ 150,000	1.5%
Publication Cost of Sales	\$734,000	\$734,000	\$734,000	\$734,000	\$2,936,000	23.4%	\$ 964,600	\$ 964,600	\$ 964,600	\$ 964,600	\$ 3,858,400	38.6%
<b>Total Cost of Sales</b>	<b>\$1,023,500</b>	<b>\$1,023,500</b>	<b>\$1,023,500</b>	<b>\$1,023,500</b>	<b>\$4,094,000</b>	<b>32.6%</b>	<b>\$ 1,429,100</b>	<b>\$ 1,429,100</b>	<b>\$ 1,429,100</b>	<b>\$ 1,429,100</b>	<b>\$ 5,716,400</b>	<b>57.2%</b>
<i>% of Total Sales</i>	<i>32.6%</i>	<i>32.6%</i>	<i>32.6%</i>	<i>32.6%</i>	<i>32.6%</i>		<i>57.2%</i>	<i>57.2%</i>	<i>57.2%</i>	<i>57.2%</i>	<i>57.2%</i>	
<b>Sales &amp; Marketing Costs</b>												
Advertising	\$1,250,000	\$1,250,000	\$1,250,000	\$1,250,000	\$5,000,000	39.9%	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000	\$10,000,000	37.9%
<b>Total Sales &amp; Marketing Costs</b>	<b>\$1,250,000</b>	<b>\$1,250,000</b>	<b>\$1,250,000</b>	<b>\$1,250,000</b>	<b>\$5,000,000</b>	<b>39.9%</b>	<b>\$2,500,000</b>	<b>\$2,500,000</b>	<b>\$2,500,000</b>	<b>\$2,500,000</b>	<b>\$10,000,000</b>	<b>37.9%</b>
<i>% of Total Sales</i>	<i>39.9%</i>	<i>39.9%</i>	<i>39.9%</i>	<i>39.9%</i>	<i>39.9%</i>		<i>37.9%</i>	<i>37.9%</i>	<i>37.9%</i>	<i>37.9%</i>	<i>37.9%</i>	
<b>General &amp; Administrative</b>												
Salary Payroll	\$415,000	\$415,000	\$415,000	\$415,000	\$1,660,000	13.2%	\$636,250	\$636,250	\$636,250	\$636,250	\$2,545,000	9.6%
Fringe Benefits (20% of Salaries)	\$83,000	\$83,000	\$83,000	\$83,000	\$332,000	2.6%	\$127,250	\$127,250	\$127,250	\$127,250	\$509,000	1.9%
Bonuses (20% of salaries)	\$83,000	\$83,000	\$83,000	\$83,000	\$332,000	2.6%	\$127,250	\$127,250	\$127,250	\$127,250	\$509,000	1.9%
Travel & Entertainment	\$21,000	\$21,000	\$21,000	\$21,000	\$84,000	0.7%	\$21,000	\$21,000	\$21,000	\$21,000	\$84,000	0.3%
Co-Location Network Costs	\$62,500	\$62,500	\$62,500	\$62,500	\$250,000	2.0%	\$125,000	\$125,000	\$125,000	\$125,000	\$500,000	1.9%
Legal & Consulting Fees	\$40,000	\$40,000	\$40,000	\$40,000	\$160,000	1.3%	\$50,000	\$50,000	\$50,000	\$50,000	\$200,000	0.8%
Leases - Copier	\$998	\$998	\$998	\$998	\$3,990	0.0%	\$998	\$998	\$998	\$998	\$3,990	0.0%
Lease - Telephone	\$4,882	\$4,882	\$4,882	\$4,882	\$19,529	0.2%	\$4,882	\$4,882	\$4,882	\$4,882	\$19,529	0.1%
Office Internet access	\$2,500	\$2,500	\$2,500	\$2,500	\$10,000	0.1%	\$4,000	\$4,000	\$4,000	\$4,000	\$16,000	0.1%
Postage & Delivery	\$6,000	\$6,000	\$6,000	\$6,000	\$24,000	0.2%	\$6,000	\$6,000	\$6,000	\$6,000	\$24,000	0.1%
Rent Expense	\$18,900	\$18,900	\$18,900	\$18,900	\$75,600	0.6%	\$45,000	\$45,000	\$45,000	\$45,000	\$180,000	0.7%
Utilities	\$1,000	\$1,000	\$1,000	\$1,000	\$4,000	0.0%	\$2,000	\$2,000	\$2,000	\$2,000	\$8,000	0.0%
Miscellaneous	\$40,000	\$40,000	\$40,000	\$40,000	\$160,000	1.3%	\$60,000	\$60,000	\$60,000	\$60,000	\$240,000	0.9%
Web Maintenance and Development	\$25,000	\$25,000	\$25,000	\$25,000	\$100,000	0.8%	\$100,000	\$100,000	\$100,000	\$100,000	\$400,000	1.5%
<b>Total G &amp; A Costs</b>	<b>\$803,780</b>	<b>\$803,780</b>	<b>\$803,780</b>	<b>\$803,780</b>	<b>\$3,215,119</b>	<b>25.6%</b>	<b>\$1,309,630</b>	<b>\$1,309,630</b>	<b>\$1,309,630</b>	<b>\$1,309,630</b>	<b>\$5,238,519</b>	<b>19.8%</b>
<i>% of Total Sales</i>	<i>25.6%</i>	<i>25.6%</i>	<i>25.6%</i>	<i>25.6%</i>	<i>25.6%</i>		<i>19.8%</i>	<i>19.8%</i>	<i>19.8%</i>	<i>19.8%</i>	<i>19.8%</i>	
<b>Income before Taxes</b>	<b>\$57,970</b>	<b>\$57,970</b>	<b>\$57,970</b>	<b>\$57,970</b>	<b>\$231,881</b>	<b>1.8%</b>	<b>\$1,365,770</b>	<b>\$1,365,770</b>	<b>\$1,365,770</b>	<b>\$1,365,770</b>	<b>\$5,463,081</b>	<b>20.7%</b>
Taxes on Income	\$23,188	\$23,188	\$23,188	\$23,188	\$92,752	0.7%	\$546,308	\$546,308	\$546,308	\$546,308	\$2,458,386	9.3%
<b>Net Income After Taxes</b>	<b>\$34,782</b>	<b>\$34,782</b>	<b>\$34,782</b>	<b>\$34,782</b>	<b>\$139,129</b>	<b>1.1%</b>	<b>\$819,462</b>	<b>\$819,462</b>	<b>\$819,462</b>	<b>\$819,462</b>	<b>\$3,004,694</b>	<b>11.4%</b>
<i>% of Total Sales</i>	<i>1.1%</i>	<i>1.1%</i>	<i>1.1%</i>	<i>1.1%</i>	<i>1.1%</i>		<i>12.4%</i>	<i>12.4%</i>	<i>12.4%</i>	<i>12.4%</i>	<i>11.4%</i>	